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Jorge Risquet on Military Situation, Withdrawal Conditions

34190145a Br. ssels LE SOIR in French 4 Jul 88 pp 1,5

[Interview in Brussels with Jorge Risquet Valdes, member of the Cuban Communist Party Political Bureau]

[Text] Without any doubt it was our military effort that convinced the South Africans to negotiate, to accept the principle of independence of Namibia. And today we are optimistic, but without crowing. "Jorge Risquet Valdes, member of the Cuban Communist Party Political Bureau and director general of the party's foreign relations, who granted us an exclusive interview, was the creator of the Cuban intervention in Angola and hence the head of his country's delegation to the four-party negotiations in London and Cairo.

During his stay in Brussels, he was received for several hours by Foreign Minister Tindemans, who is himself preparing for a trip to southern Africa and is very interested in restoration of the Benguela railway. This is an interest shared by Mr Risquet, because "the reopening of this line would make it possible to dispense with the South African rail lines." In Brussels, Mr Risquet also met with Viscount Etienne Davignon, representing the Societe Generale.

Last week, the South African and Cuban forces found themselves face to face in the extreme south of Angola, and Pretoria admitted the death of 12 white soldiers. Just the evening before, Mr Risquet had been negotiating in Cairo, and he could not have been an easy opponent.

Bearded, smoking fat cigars and drinking rum, Mr Risquet, who is clearly very close to Fidel Castro, spoke precisely, rapidly.

In his view, Angola's main enemy is South Africa, which he compared to the Nazi regime. He said that "the joint Angolan, Cuban and SWAPO forces have inflicted a sharp defeat" on South Africa. "Last week our forces were in the Tchipa area, where we had constructed a new airfield in record time. They were attacked by South African artillery and we lost 10 men. Our air force then intervened in reprisal and bombed the South Africans in the Calueque dam area. Their losses were very heavy. It should be noted: We have air, antiaircraft, and ground superiority in the region, and the South Africans can do nothing in southern Angola."

[Question] How did this reconquest of southern Angola come about, and why did it happen now, when the war has been continuing for 10 years?

[Answer] It all began because of Cuito Canavale, where last September the Angolan forces, the FAPLA, launched on their own an offensive to push UNITA back toward the Lomba river. At that time, our forces were much further up. As they had done in 1983 and 1985, the South Africans came to the rescue of their UNITA ally,

which was in the process of losing the fight. Never in the 10 years had the South African effort been so large: 9,000 men added to the troops of UNITA, who served as infantry. G5 tanks, long-range guns, Olifant tanks, and pilotless planes were thrown into the battle. President Botha himself came to inspect his troops in Angola.

The 10,000 Angolan fighters of the FAPLA then pulled back into the town of Cuito Canavale, where they underwent a full-scale siege: at the rate of 130 shellings per day, more than 40,000 rounds fell on the town. The inhabitants, from their trenches, called them 'mosquitoes.' The South Africans were threatening to eliminate the Angolan forces, which appealed to us to intervene. Our units furthest south were located at Menongue, 100 kilometers from Cuito Canavale. We then decided to respond to the escalation and to increase our forces.

Mr Risquet refused to state the present strength: "We had 20,000 men in the south, 15,000 in the north, and today an a certain number must be added to this figure." Mr Risquet did not comment on the Western sources' estimate of the additional forces at 10,000.

"After our victory at Cuito Canavale, we decided to bring our troops down toward the south; we had the resources for this, which was not the case before. The Angolans have the sacred right to defend their territory, to expel the invader from it."

[Question] Southeast of Cuito Canavale is Jamba, UNITA's headquarters. Do the Cuban forces intend to dislodge Jonas Savimbi's forces from it?

[Answer] Jamba is the concern of the Angolan forces alone: FAPLA is strong enough to handle UNITA. The Cubans intervene only when UNITA resorts to South African aid; we do not interfere in Angolan internal affairs. However, it is our view that Savimbi has sold his soul to the devil, betrayed his people by allying with South Africa, that is why our Angolan allies do not want to talk with him: he is a traitor.

[Question] Is it correct, as the Americans say, that the Cairo negotiations have been a success, that they are on the way to an agreement?

[Answer] I am optimistic without crowing: Cuba's task is to defend Angola against South Africa. We will leave when that risk of aggression no longer exists, when Namibia is independent.

Conditions for Withdrawal

[Question] When, then?

[Answer] Two weeks after the UN troops have arrived in Namibia the Cuban troops will withdraw above the 13th parallel, while, for their part, the South African troops will withdraw toward southern Namibia. The process of decolonization of Namibia should take just 1 year, as

provided by the schedule attached to UN Resolution 435. Between the 3d and 23d months, 20,000 men will return to Cuba, and within the 30th to 48th month period all our men will have left Angola.

However, the following are the conditions for this withdrawal: in addition to independence of Namibia, it is necessary that foreign aid to UNITA cease and that international guarantees be given in this regard. UNITA will then become an Angolan internal problem.

[Question] What about the American aid to UNITA, specifically?

[Answer] It must stop, but this point is part of the bilateral negotiations between Angolans and Americans.

[Question] Is it true that in Cairo the Soviets counseled the Angolans and Cubans to moderation?

[Answer] A hungry chicken dreams of corn. Those who say this are taking their desires for realities. The Soviets did not participate in the four-party negotiation, but the USSR has always supported the Angolan and Cuban position, and we have exchanged intelligence. What is possible is that the United States and the Soviet Union, which are among the five permanent members of the Security Council, will ratify the agreement.

[Question] The Americans are mentioning as the date for this agreement 29 September, when Resolution 435 on Namibia will be 10 years old.

[Answer] They stole my idea. I had proposed this date to Chester Crocker as symbolic.

The military offensives are not linked to the negotiation process, which had started much earlier. I believe that the South Africans launched the escalation because they do not tolerate the idea of change, in Namibia and elsewhere. They are conducting a day-to-day strategy. However, there is no doubt that it was our military effort that brought the South Africans to negotiate: their offensive was the largest since 1975, and we were able to oppose them with an adequate dissuasive force. The response was proportional to the escalation."

9920

26 Former UNITA Members Surrender
34420150e Luanda JORNAL DE ANGOLA in Portuguese 4 Jun 88 p 1

[Excerpt] Some 28 former members of the terrorist UNITA group were recently reintegrated in Lunda-Sul Province under the clemency policy in effect in the country, the Angolan news agency ANGOP learned from an official source.

According to Joaquim Luami, MPLA-Labor Party Provincial Committee secretary for ideological affairs in Lunda-Sul, during the first quarter of this year, the reintegrated individuals and liberated populations showed good participation in the national reconstruction process.

06362

Journalist Describes Journey to Jamba
34420158 Johannesburg WEEKLY MAIL in English 24-30 Jun 88 p 14

[Report by Shaun Johnson from Jamba. "Will the peace talks end the 13-year reign of Jonas Savimbi? The boss doesn't think so."]

[Text] The only ways of getting to Jamba, isolated bush headquarters of the Angolan UNITA rebels, are unorthodox ones.

The least taxing of these, it seems, involves boarding an unmarked turbo-charged Dakota aircraft at Pretoria's Wonderboom airport, overflying one independent country (Botswana), one occupied area (the Caprivi Strip), and skimming the treetops of southern Angola for as long as it takes to reach General Jonas Savimbi's spanking new secret airstrip.

It's a 4-hour trip if there's no tailwind, and has distinct advantages over more traditional forms of international travel.

The irritation of having to carry a passport, for example, is dispensed with. There are magnificent views of Botswana's Okavango delta and later, Angola's still-abundant wildlife. Cabin service is rudimentary, but to the point: two voluminous garbage bins, filled with the finest (South African) beer, expertly packed in enough ice to keep them frosty for the duration of the venture into the interior.

The beer, and the flight, are courtesy of the rebel movement, which must rank among Africa's most skilled in the art of public relations. "UNITA shall provide" is a catchphrase around Jamba, and it is difficult to argue with it.

The human cargo on this particular junket—better known as a Jambaree—comprises journalists. The world's media is being spirited into Angola's intractable south-eastern corner to hear the Commandante pronounce on the current peace negotiations, and to be reminded that he remains a serious player in the sub-continental game.

Whatever one chooses to make of the latter claim, his "capital" is extraordinary.

As soon as the Dakota crosses the "security road" running along the northern perimeter of the Caprivi strip, the pilot sends the plane careering earthwards, dropping from normal flying altitude to what he says is about 50 feet above the trees, but feels more like an imprecise exercise in foliage-pruning.

The reasoning, so it's said, is that sophisticated anti-aircraft weaponry would struggle with such a low-flying target. As no hostile intent is evident, perhaps it is true. But then again, it could all form part of Act One of Jonas Savimbi, Superstar.

On Angolan soil, the Dakota is met by burgundy-bereted UNITA troops, who lead the way to two unprepossessing mud huts: Customs and Immigration. Arrival forms must be completed, to record entry into the "Freeland of Angola." A diligent search follows, after which "border" formalities cease, and a bumpy 1-hour ride on an open truck leads to Jamba.

Jamba (which means "elephant") is said to be home to some 15,000 UNITA devotees, but the casual visitor could be forgiven for mistaking it for a rather pleasant game lodge in the Eastern Transvaal—a sort of Mala-Mala with AK47's.

Built inconspicuously in undistinguished bush, it consists of hundreds of solidly-constructed thatched mud huts, varying in size rather than style, and spread over a vast undefined area.

Heavily camouflaged air defence nests are in evidence, but their contents can only be guessed at. "We are not worried," smiles a smooth young captain when asked about the possibility of a raid by Fapla MIGs, "we have plenty inside there to encourage the Migoos to go home."

The first certain indicator of arrival is a bizarre traffic circle at the junction of the dirt roads serving the airport and "capital." It is manned by a uniformed, white-gloved soldier who, given the infrequency of vehicles in these parts, has probably secured the cushiest job in Angola. Stiff-armed, he makes a tremendous show of directing the truck toward the centre of Jamba, but can be seen sitting down once it has passed.

Journalists—and other useful visitors—are housed in an attractive encampment comprising six bungalows encircling a boma and dining hall. The camp is built in a clearing of white sand, which draws heat from the huge bright dome of blue sky above. It is almost bucolic, an idyllic African setting.

The well-being of visitors is the responsibility of what can best be described as UNITA's equivalent of the South African Bureau for Information: a specially trained unit of articulate and urbane minders who can be trusted not to diverge from the party line in "informal" conversation.

They are omnipresent. Food and drink is plentiful and served with bonhomie, but any attempt to stray from the camp is met with polite, firm refusal.

(This was discovered by one journalist who, having been provided for rather too well by UNITA, stumbled beyond the precincts in the early hours of the morning. Immediately confronted by a well-armed and distinctly sober UNITA officer, he loudly proclaimed his refusal to turn around. "That would be very bad," said the officer gently, and the journalist changed his mind.)

UNITA troops, at least those at Jamba, do not drink alcohol, and do not raise their voices. They are disconcertingly disciplined, in sometimes embarrassing contrast to the visitors they play host to.

Most are armed with AK 47's and Star pistols, although some RPG's are in evidence. Many sport identical "Dirty Harry" sunglasses—possibly a bulk consignment from an American optician who decided they were out of fashion.

The troops appear to spend their time talking in small groups, smoking furiously, and greeting one another with the slightly comical UNITA handshake.

This involves a slapping clasp of open hands, followed by an energetic banging together of clenched fists. At any time of night or day, someone, somewhere, in Jamba, is greeting someone else in this manner.

A few uniformed whites can be spotted, at least one of seemingly high rank. The question "Are they Portuguese?" drew a tart response from a UNITA captain: "UNITA has no Portuguese—only white Angolans."

Jamba must be viewed as UNITA's show-house, and virtually no generalisations about the movement can be drawn from a stage-managed visit. But in itself it is a unique, entrenched, community. It is also an odd bastion of the glories of free enterprise and Western civilisation, which UNITA is taken to espouse.

For one thing, there is no money in Jamba. This does not mean it is scarce—it does not exist. One young lieutenant saw his first coin when a journalist showed it to him last week. The principles of utopian socialism are alive and well here: if you need something, ask, and you shall receive.

The approach seems to be reflected in the physical appearance of the men and women, who are uniformly slim and healthy. This is brought home by the surprise of seeing Jamba's chef who, as local folklore would have it, is the only fat man in Angola.

(Pedants may point to the Commandante himself as another, but he is more wisely described as stout—particularly when in earshot of his disciples.)

Jamba is meant to give the impression of a dedicated, happy, community, united behind its revered leader. This it does quite successfully: "Savimbi is our guide" reads one of dozens of didactic posters. "My country right or wrong—General Savimbi," proclaims another. And: "UNITA is ready for dialogue with MPLA for peace in Angola." Newcomers are quickly acquainted with the rebels' philosophy.

Jamba is also designed as a model town of sorts. There is a clinic, run by a charming Portuguese-trained doctor, a uniform factory, a weapon-repair workshop, and so on. Vehicles are in tip-top condition, and clothing neatly pressed. How, in a dustbowl without running water and very little electricity? "UNITA shall provide."

The core reason for its existence becomes clear when Savimbi makes a personal appearance. Red and green-clad women dance and sing up a storm, drummers go into a frenzy, and the tedium of isolation is exorcised in unashamed hero-worship.

Savimbi is a masterful performer. Long dubbed the "Gucci Guerrilla," his outfit is the last word in rebel chic: pearl-handled Colt, ivory-topped cane, gold ring, silver wrist-chain, appropriately faded battledress, buffed boots, raffish beret.

He manages, rather than subjects himself to, a press conference. Journalists are heavily outnumbered by UNITA officers and what is called the "LP" (local population), and they respond to his responses much like zealous converts at a revivalist meeting.

Quoting Churchill and punctuating his announcements of crushing UNITA victories with witty asides, he must be the envy of many a political movement. "Is it true you're leaving Jamba to move to Zaire?" he is asked. "The only time I will leave Jamba is to go to Luanda," he replies to the delight of his followers. "If South Africa and the MPLA are bickering about a venue for talks, why not have it in Patagonia?" he quips.

His message is unequivocal and insistent: "The Em Pel Yay" (this is the precise rendition of MPLA with an Angolan accent), "the Em Pel Yay must talk directly to UNITA to end the civil war in Angola and bring independence to Namibia! There is no other way."

Is this just bluster from a man who has been sidelined in the Angolan peace talks, and whose 13-year personal war is coming to an end? The answer, whatever it may be, is probably not to be found in the oddity that is Jamba.

MPLA-Labor Party CC Secretary Tours Provinces
34420150f Luanda JORNAL DE ANGOLA in
Portuguese 5 Jun 88 p 1

[Text] Huambo—Juliao Mateus Paulo ("Dino Matross"), MPLA-Labor Party Central Committee secretary for state and judicial organs, has been in Huambo City since Friday on a working visit to the province of the same name.

The official, who is on a tour which will take him to Bie and Kwanza-Sul Provinces, is accompanied by Maj Joao Lourenco, provincial commissioner of Benguela. During his stay, he will engage in various activities pertaining to internal party matters, as well as to the business of this coordinating organ.

Approached by the local news media, Dino Matross described as positive the efforts undertaken by the party leadership in Huambo Province to solve the problems that are still affecting the inhabitants of the area.

Juliao Mateus Paulo appealed to the population of Huambo Province to be steadfast in carrying out the directives of the MPLA-Labor Party on the various social fronts.

06362

New Lunda-Sul Provincial Commissioner
34420150d Luanda JORNAL DE ANGOLA in
Portuguese 4 Jun 88 p 1

[Excerpt] Saurimo—Graciano Mande, the new provincial commissioner of Lunda-Sul, was recently introduced to the residents of the city of Saurimo.

During a political ceremony, Antonio Condessa de Carvalho ("Toka"), member of the MPLA-Labor Party Central Committee, stressed the good qualities of the new commissioner and urged the people to become increasingly engaged in production and productivity.

It is noted that Graciano Mande was previously vice minister of agriculture for forest resources.

06362

Huambo Social Affairs Secretary on Refugee Reintegration

34420150c Luanda JORNAL DE ANGOLA in
Portuguese 8 Jun 88 p 3

[Report on interview with Makivavila Joao Claudio, Huambo secretary of state for social affairs, by JORNAL DE ANGOLA, date and place not given]

[Text] Huambo (from our bureau)—At the beginning of the year, the Secretariat of State for Social Affairs in this city initiated the social reintegration of more than 20,000 war refugees, JORNAL DE ANGOLA learned in an interview with Makivavila Joao Claudio, director of this humanitarian agency.

The reintegration of these individuals, who are currently enlisted in agricultural production cooperatives and other sectors of the socioeconomic life in the province, made it possible to reduce the number of displaced people to 89,657, as against the previous count of 110,000, he added.

Makivavila Joao reported that, during this year, his agency has concentrated its activity basically on abandoned children and war orphans, which in this province number more than 1,500, sheltered in only 9 boarding homes, with an average capacity of 10 children each.

Also regarding aid to children, Makivavila stressed that the province has another five homes in operation to house the children of working mothers, in addition to an infant program and another education program (known as PIC and PEC, respectively), in which children from 2 to 6 years of age are participating satisfactorily.

Another sector which has concerned the Secretariat of State for Social Affairs in Huambo is that of the aged. According to our interviewee, the agency which he directs looks after 80 elderly citizens, in a boarding home where the social conditions fall far short of what he would like.

Discussing the activities of his agency in the first quarter of this year, the official said that during this period the secretariat has distributed to the displaced people more than 150,000 kg of rice and over 80,000 liters of vegetable oil, large quantities of soybean meal and corn, among other goods.

Some of the above-mentioned products were donated by such international humanitarian institutions as the United Nations High Commission for Refugees and UNICEF, among others, and by some friendly countries, such as Sweden and Italy.

Makivavila Joao noted that, in the period under question, great attention had been paid to training basic technicians for the social sector of the province in particular and of the country as a whole; the second course in social work was conducted by the regional training school for cadres of the agency and was completed by 54 students.

He noted that the social reintegration of the displaced people is a problem which requires the intervention of other agencies, principally of the agriculture and housing ministries, which, unfortunately, have contributed little or nothing in this regard.

He explained that the reintegrated individuals should be concentrated in areas favorable for agriculture so they can produce what they need and create the essential conditions for later reintegration in the society.

Makivavila criticized the lack of sensitivity of members of the society who could be lending assistance to the displaced, the physically disabled and war orphans, but who have shown no interest.

He predicted that during this year the displaced people could expect better conditions and more assistance.

06362

Aid for Displaced Persons in Cunene
34420150b Luanda JORNAL DE ANGOLA in
Portuguese 4 Jun 88 p 3

[Text] Castanheira de Pera—In the first quarter of this year, the Cunene Province Delegation of the Angolan Red Cross (CVA) lent assistance to 876 victims of the South African war of aggression in this region, the Angolan news agency ANGOP learned from CVA provincial delegate Antonio Hipewambedy.

He noted that the limited quantities of goods available make it difficult to meet the needs of the municipios where the largest numbers of refugees are concentrated, such as Cuanhama, Cuvelai, Namacunde and Ombandja.

The official said that, during the same period, his delegation had collected 5,400 cubic centimeters of blood from 13 tested donors.

Hipewambedy emphasized that the shortage of blood in Cunene's hospitals and health centers had made it impossible to save countless victims of the massacres by the South African troops, victims who had died because the technical conditions are lacking to conserve blood.

Last January, the Cunene Red Cross delegation inaugurated a medical post in Castanheira do Pera, which has treated 1,000 patients to date.

The CVA in Cunene has 911 registered members.

06362

Rural Technical School Inaugurated in Caxito
34420150a Luanda JORNAL DE ANGOLA in
Portuguese 5 Jun 88 p 3

[Article by Aderito Guizunda]

[Text] The first phase of the Comandante Paiva Domingos da Silva Rural Technical School, in Bengo Province, was inaugurated last Friday in Caxito, in a ceremony led by Col Deolindo Rosa, provincial commissioner and first secretary of the party.

The inauguration of the school, which coincided with the celebration of the 10th anniversary of the creation of the provisional schools, was also attended by Agriculture Minister Fernando Faustino Muteka; Angela Braganca,

director of the Central Committee Department of Education, Culture and Sports; Armando Cadete, vice minister of foreign relations; and members of the provincial executive of the party and government. The inauguration of the school is the culmination of efforts to carry out the directives put forth to educate and provide job training for children and youths affected by the economic and social consequences of the state of war inflicted on us by international imperialism.

The newly inaugurated school, which will function in keeping with the methodology of the provisional schools, can house 150 students, ranging from 12 to 16 years of age, in addition to others who will attend the school as semi-boarders.

In this initial phase, the school will offer courses in mechanics, metalworking, carpentry and agriculture, along with courses in the general education curriculum at the first level. In a later phase, the school will introduce courses in tailoring and dressmaking, cabinetmaking and refrigeration mechanics.

The teaching staff comprises eight Angolan teachers who have spent 3 years attending specific courses taught at the Institute of Front Line Countries, in Denmark and in Angola.

Joao Romeu, national director of adult education, spoke at the inauguration ceremony. After giving a brief history of the 10 years since the establishment of provisional schools in our country, Romeu criticized the great lack of clarity among many of those responsible for education, teachers and even officials, who confuse the provisional schools with orphanages, institutions for delinquents and even charitable organizations.

At another point, the official noted that the resurgence of activity by the puppet bands in some regions of our country had led to the educational and socioeconomic instability of the provisional schools, most of which are currently in a sharp decline.

However, despite the various problems impeding the functioning of many provisional schools, they are being put to relatively positive use.

Speaking at the inauguration, Deolindo Rosa, provincial commissioner of Bengo, expressed an urgent need to convert the provisional schools into rural technical schools; considering that most of them are in rural areas, they could contribute immensely to the social and economic development of our country.

The Bengo Rural Technical School was constructed by 200 Angolan workers, assisted by a team of internationalist workers from the People to People Aid Association (ADPP), a private Scandinavian institution which is in our country to contribute to the process of national reconstruction.

Agricultural Training Center in Luanda
34420151c Luanda JORNAL DE ANGOLA in
Portuguese 25 May 88 p 3

[Text] A professional apprenticeship and training center (CEAP) was inaugurated on Monday in the suburbs of Luanda.

The CEAP has a capacity of 40 students, and is restricted to the utilization of kikuxi; its plan is to supply the city of Luanda with agricultural products.

The United Nations Food and Agricultural Organization (FAO) and the Yugoslavian Agricultural/Industrial Complex, PKB, are collaborating in this project through the provision of equipment and experts to teach the CEAP courses.

At the opening ceremony of the center, the FAO representative in Angola, Tekles Adik Eshetu, announced the commitment of that UN organization to supply the center with consultants and documents for research.

12857

Construction of Fishing Wharf in Tombwa Proposed
34420151d Luanda JORNAL DE ANGOLA in
Portuguese 25 May 88 p 3

[Text] A fishing wharf designed to accommodate a Namibe fishing fleet is to be built in Tombwa, according to what this paper was told in an interview with the Director of Naval Repairs (ERMANAL), Da Costa e Silva.

Da Costa e Silva said that construction costs are estimated at about 5 million kwanzas and will be financed by the Fropesca fishing company.

The ERMANAL director said that his company is also engaged in the rehabilitation of some fishing boats, most of them belonging to Empromar Tombwa, a company recently created by provincial authorities to augment fishing boat repairs performed by individual fisherman artisans.

ERMANAL Tombwa will receive technical assistance from the European Economic Community (CEE), and is already committed to a project over the next few years to expand its shipbuilding operation so as to be able to handle a greater number of ships under repair.

Political and cultural events will be held at Tombwa to commemorate the heroes of 27 May.

The program includes a series of speeches to be offered at production centers, military and paramilitary units, visits to historic monuments, solidarity meetings with veterans and a pilgrimage to the tomb of the unknown soldier.

12857

**EPLF Official Views Pact To Normalize Ties
With Somalia**

34040004 Kuwait AL-QABAS in Arabic 8 Jun 88 p 16

[Interview with 'Ali al-Sayyid, Official of the Eritrean People's Liberation Front; date and place of interview not specified]

[Text] Mogadishu—AL-QABAS—Special—When Mohamed Siad Barre, the president of Somalia, gave AL-QABAS his first exclusive interview in the wake of the agreement which normalized relations with Ethiopia, AL-QABAS tried to get the total picture by making a record of developments in the Horn of Africa and noting reactions to them. That is why we interviewed people who were influencing the dispute in that independent capital for whom either a short-lived or a long period of tranquillity is being sought. We will not talk about the superpowers' policies; nor will we delve into considerations of universal strategies. But we do realize that there are key figures as well as active key forces, which may either be marginal in the considerations of these or other forces or intentionally or unintentionally forgotten for a political purpose. What matters is that we are interested in hearing the other side. Furthermore, we are being called upon to offer that other side whose opinion is that of those who work in silence, those who did change and have been changing the features of the regional and international conflict.

The Somali president expressed the Somali point of view when he spoke to AL-QABAS. Since a loud sound would rattle the skies of East Africa should Somalia for its own reasons decide to turn to peace, we had to hear from the other side, where military victories would follow the preparations which would have been made. There would also be demonstrations of courage which are rare and unexpected in the Third World. This ongoing proportional relationship in the Horn of Africa between the two sides in the conflict was interesting. As the two inveterate enemies, Somalia and Ethiopia, would move one step closer to peace, the Eritrean National Liberation Movement and Ethiopia would take a bigger step toward confrontation. The Eritrean People's Liberation Front [EPLF] has achieved decisive victories since the end of 1987. The EPLF consolidated these victories by occupying advanced positions on the military confrontation front and liberating regional capitals and important cities. It surrounded the capital, Asmera, and it is about to lay a siege around the regional capital, Keren. It shelled the military airport, and it brought transportation between Eritrea's principal cities to a complete standstill.

What is happening on that front anyway? How can an evaluation be made of the step toward peace which was taken by Somalia and Ethiopia? Will moving the troops from the Ogaden Front to the Eritrean Front have an effect on the balance of powers? How does the conflict in the Horn of Africa and in East Africa look now?

These were direct, burning questions, and the president of Somalia, Mohamed Siad Barre, explained the Somali point of view to AL-QABAS. He explained the whys, the hows, and the whens. Here in AL-QABAS we are trying to present the total picture, and we are trying to get answers to the same whys, hows, and whens from those who are directly and actively involved in this matter.

To present the total picture of the confrontation and the truth about conditions, we interviewed Mr 'Ali al-Sayyid 'Abdallah, member of the Political Office. Mr 'Abdallah is the official responsible for foreign relations in the EPLF, the only organization which controls what happens inside liberated Eritrean territory. It is the only organization fighting the army of Ethiopia all along the confrontation front. It is the only organization that did score and has been scoring historical, military victories. The EPLF liberated a few cities and laid a siege around other principal cities. That led the president of Ethiopia, Haile-Mariam Mengistu, to admit for the first time that "National unity is being threatened." [President Mengistu declared], "We are facing a setback in the north."

[Question] In your opinion, how will conditions develop now that the agreement to normalize relations between Somalia and Ethiopia has been signed?

[Answer] First of all, in the name of the EPLF, I would like to affirm that our principal weapon in our national struggle, our political battles, and our daily confrontations has been and still is the permanent and fundamental conviction which stems from a firmly established belief which we learned and imparted to our staff, our soldiers, and our friends. We are indisputably convinced that we do not and will not ever allow anyone to interfere in our domestic affairs. After considering the consequences, we made the deliberate decision that we would not be used as pawns and that our revolution would not be for sale to the highest bidder. Therefore, we realized early in the game that our decision was independent. Our motivation—and, quite frankly, we shed our blood to pay for this independent position—[has been our conviction that] no revolution which allowed itself to be used as a pawn has ever won a victory. [We believe that] those who do not control their own affairs have never won a victory.

We have confirmed evidence of this situation and the other one in our little circle and beyond. That is why no revolution that depended on others has ever won a victory.

The fighter, who had returned from the battlefield, smiled and said, "Don't embarrass me and make me list all examples of that in the area between the Arabian Gulf and the Atlantic Ocean and—although this may be meaningless—in the mountains of Kurdistan. All those who depend on others will lose. Don't talk to me about what concerns us all in Palestine. You know better than that, and you and I know the details. Ours is a revolution

that was born on its own turf and is fighting on its own territory. It is a revolution that is scoring victories on its own territory. Unfortunately, however, we lack the comrades and friends who can see what we are going through and offer truthful testimony about what this revolution has been achieving."

[Question] But what about the Normalization Agreement?

[Answer] We talk at length because we have much to say and because we feel that Arab media agencies have been ignoring us unjustifiably. We feel that it is our right to speak at length. Our revolution is an unusual revolution for the Third World: it is a national liberation movement as well as a revolution. Actually, however, we are a state and a responsible one for that. As Arab media officials, you have not understood us; nor did you try to observe and evaluate our movement. That is why when we speak with the Arab media, we want to say everything. It is not our imagination, but it is unfortunate that the European media, western media in particular, covered everything we went through and experienced in their newspapers and radio broadcasts. Pictures about our experience were shown on western television screens. It was only the Arab media that did not give us the coverage we were entitled to.

Do you remember the first time you came into our liberated area? Weren't you astonished and somewhat sadly and regretfully bewildered when you found that all the posters on the closets, walls, and doors in the advance media center belonged to delegations representing foreign, media, health, charitable and political organizations? There wasn't a single sign or poster from one Arab media agency or charitable organization. Weren't you shocked when an Eritrean fighter introduced you to a young man and then politely asked you a question? He asked you, "Why have we not seen a representative for these Palestinian organizations whose love for Palestine we share?"

At that time I had a sense of your story, but I realized that we would not demand explanations from each other.

[Question] Then what?

[Answer] Suffice it to say that we reject any intervention in our domestic affairs. By the same token, we refuse to interfere in the affairs of others. That is why Somalia, being an independent country, has every right to do whatever it deems appropriate to protect its own security and its people's gains. We appreciate having this advantage and this independent decision. Quite frankly, however, we do not and will not accept an agreement that would be reached at our expense. The demise of our cause will not become the price paid for that agreement. Somalia's independent decision must be counterbalanced by an equally strong and independent Eritrean decision. We are confident and convinced that those who were our allies yesterday will not give up our cause

as the price for the anticipated peace. It must be clear that no independent Somalian decision will ever be made at the expense of an independent Eritrean decision. We have confidence in the leaders of Somalia, who are our allies and our friends, and we appreciate their special, domestic conditions. But we find it inconceivable that our cause and our people's right to determine their own destiny will become the subject of negotiations. The people of Somalia, their leaders, and their president have always been on our side. We do not ask for the impossible when we say that the only thing we want now is not to be used as pawns in the negotiations. We have confidence in our allies and our friends. But first and foremost, we have confidence in our people, our revolution, and our own situation on our land. We have confidence in our victory against our enemy.

[Question] Is there any news?

[Answer] As you know, we recently scored significant military victories and liberated a few cities. For some time now we have been holding siege around Keren, the regional capital. All supply routes around the city have been cut, and the main road to Asmara has also been cut. We bombed Asmara Airport itself, and we destroyed several airplanes. We also shot down a MIG-23, and we took three Soviet officers prisoners. These Soviet officers are still in our custody.

[Question] Are there any negotiations going on concerning these Soviet prisoners?

[Answer] It may be a very rare occurrence these days to be holding citizens of a superpower prisoners, which is like having a winning card in one's hand, and demand nothing for their return. But we are not terrorists in the EPLF; nor have we ever been mercenaries. We conduct ourselves in a very responsible manner, as a government responsible for its people. That is why we did not and will not haggle over the subject of Soviet prisoners. Many Arab and foreign countries, many Palestinian and Arab organizations, and many foreign political parties have been trying to get friendly with us these days because they want to mediate in this matter. But we said this before, and we will say it again unequivocally: we will not haggle over the subject of the prisoners. We will not ask for money, and we will not turn over this matter to anyone whatsoever. These prisoners are prisoners of war. We did not kidnap them, and we will not haggle over them; we took them prisoners in a battle. Consequently, the Prisoners of War Law applies to them. No one can talk with us about them but their country. That is, only the Soviet Union, without any mediators, can talk to us about them. Since ours is a popular government, the only subject we will discuss is our people's right to determine their own destiny and their right to choose their way of life and their government on their own land. It must be very clear, however, that we will never become like other terrorist parties, whether these are organizations or states. It is enough that we are different in this simple matter so we can call the world's attention to that which

distinguishes us as a national liberation movement, a popular revolution, and a government on liberated land: a government that has never engaged in terrorism, extortion or outmaneuvering others.

Mr 'Ali al-Sayyid continues to talk: he has much to say, and he says it with sincerity. But I was a witness when I visited the liberated territory 1 year ago, and I can testify that he is speaking the truth. I will also be a witness when I visit the liberated territory a few days from today.

AL-QABAS will then be able to present the total, panoramic picture of East Africa. It will be able to investigate the new conditions which developed after relations between Somalia and Ethiopia were normalized. Visiting liberated Eritrean territory and meeting leaders of the revolution will be the important part of this fact-finding mission on the field. It is a mission which AL-QABAS is interested in carrying out so it can find out about the new conditions in the Horn of Africa and in East Africa.

08592

Economic Forecast Uncertain, Oil Revenue Discussed

34190123 Dakar TOUT PLUS in French
4 May 88 p 10

[Article by F. Mbokiono]

[Text] Pointe-Noire—A 20- to 30-percent reduction in wages, exceeding half a million in all parastatal enterprises: This was one of the measures recently taken within the framework of structural reforms aimed at rectifying the country's economic situation. Nor did these measures rule out others later if the situation should so require, mainly depending on the results obtained by the initial action taken.

At the outset, the general situation of at least 30 enterprises was thoroughly reviewed. Overall decisions concerning them are awaited. For the time being, it has been decided not to continue wage hikes, yearend bonuses or any other perks. The same restrictions apply to the entire public sector. Inefficient public establishments have simply been eliminated, while the operation of others will be reformed.

Successive drops in the price of oil recently have had inevitable effects on the Gabonese economy, an economy that had bet heavily on this manna from the ground. Sights must be set lower despite the recent discovery of

several more oil deposits. Nevertheless, extraction of the precious liquid could continue with an annual increase of 7 percent until the end of 1992.

However, this would not be accompanied by a similar increase in resources, so closely is the situation linked to the whims of the dollar and the price of a barrel of oil on the international market. The overall objective set by Gabonese authorities was first of all to reduce the budget deficit. From 1981 to 1985, oil income averaged 46 percent of the gross domestic product (GDP). It also made up 65 percent of total receipts and 80 percent of all export receipts. During that period, public spending increased 24 percent annually on the average.

The prime source of such growth in spending was naturally due to the Trans-gabonese [railway], which alone absorbed over 100 billion francs of the national budget. Such spending, which in 1980 represented scarcely 27 percent of the GDP, rose to 44 percent by 1985. This would quite naturally contribute to a very serious deterioration of public finances. It was also at this point that the country began to record deficits in its balance of payments, which had not happened since 1977. This situation was further aggravated the following year, 1986, by the drastic drop in the price of Gabonese crude to 64 percent of its former yield.

However, Gabon fortunately continues to retain the confidence of its wealthier partners. In 1987, the Club of Paris agreed to reschedule the Gabonese debt, which resulted in relief amounting to 98 billion, more than triple the sum granted the preceding year: 32 billion. At the same time, commercial bank lenders agreed to postpone the payment of 15 billion which Gabon was to have paid them between September 1986 and December of that year.

For the time being, the economy would seem to have no salvation except in drastic spending cuts, despite this year's anticipated increase in exports of uranium, wood

and other products and the continuation of oil revenue at last year's level. The effect will not be totally negative in that this will mean a two-percent increase in exports, which suffered a four-percent drop last year.

Oil receipts, which peaked in 1984 with a sum of 767 billion CFA francs, have steadily dropped. From 694 [billion] in 1985 to 245 [billion] in 1986, they climbed back up to some 280 billion in 1987 and are expected to remain there until the end of 1988. One must therefore yield to the evidence: Oil will produce no more miracles in Gabon. 11464/06662

Beira Port Cargo Handling on Increase
34420155b Maputo DOMINGO in Portuguese
26 Jun 88 p 3

[Text] Statistics for the third trimester of this year show an increase of 16 percent in cargo handling at the Port of Beira as compared with the same period last year.

This information was provided by Engineer Ferreira Mendes, National Director of Ports and Railways of Mozambique in a presentation made to AIM in Lisbon, where he stopped recently on his way to London.

International merchandise handled by the port that serves one of the main corridors of the CCDSA (Coordinating Conference for the Development of Southern Africa) amounted to 378,800 tons during the first trimester of 1988, as compared with 321,900 tons during the same period last year.

In response to a question from AIM regarding the quantities of cargo transported by the Beira-Machipanda railroad (which connects Mozambique with Zimbabwe) during that same period, Ferreira Mendes said that 112,300 tons of cargo were carried, as compared with 91,600 tons during the same period last year.

International cargo on the Beira-Machipanda line this year was 95,700 tons, as compared with 80,700 tons during the same period last year.

He added that the level of productivity at the Port of Beira this year has been greater than during last year, in spite of the many problems arising from having received extra containers for use in the reconstruction of piers 2 to 5; this work is to be done by an Italian firm, with financing provided by the EEC.

As an example, he cited that the average productivity achieved on RoRo ships was 89.6 tons per hour this year, as compared with a figure of 75.7 tons per hour during the same period last year.

The Port of Beira at present is functioning as a more viable commercial port for some of the CCDSA countries, specifically Zimbabwe, Malawi and Zambia.

12857

Journalism Professors Complete Training
34420155c Maputo DOMINGO in Portuguese
26 Jun 88 p 3

[Text] Nine information professionals completed the course for journalism professionals in Maputo on Friday, with high grades; the course is the first of its kind offered in this country, and took a year and a half.

At the graduation ceremony, diplomas were handed out by the Minister of Information, Teodato Hunguana, accompanied by the Secretary-General of the National Organization of Journalists (NOJ), Manuel Tome; others present included representatives from the Maputo embassy of the FRG.

The minister of information said in his address: "Training activities are strategic in nature and constitute a very clear political decision that requires a greater involvement of all of us." He emphasized that his ministry and the NOJ are aware of the need to train people, "and have developed appreciable efforts in this area."

In the view of Teodato Hunguana, the course for journalism professors has a special quality, since "these professors will have the job of training other journalists."

The course, which included journalists serving the cities of Maputo, Beira, Chimoio, Quelimane and Nampula, was carried out under agreements between the National Journalists Organization and the Journalism Association of West Germany.

As part of the course, courses in history, theory and methodology of journalism, teaching and psychology were covered. The nine participants will be qualified to teach basic courses and refresher courses for journalists.

12857

POLITICAL

Independent Party Reportedly Enjoys More White Voter Support

34000662a Johannesburg *THE CITIZEN* in English
20 Jun 88 p 11

[Text] Dr Denis Worrall's Independent Party now enjoys more support among White South African voters than the Progressive Federal Party, according to the latest results of an opinion poll of a Sunday newspaper.

Rapport yesterday published some of the findings of a nationwide opinion poll which it commissioned.

About 2,000 White voters took part in the survey in which they were asked what party they would vote for if a general election took place now.

Dr Worrall's IP received the support of 10,7 percent of these people, compared to the 8,8 percent which went to the PFP.

The National Democratic Movement of Mr Wynand Malan received 3,5 percent support.

The National Party's support dropped since a similar survey in January. It now has the support of 44,4 percent, while it had 46,9 percent in January.

The Conservative Party's support also decreased slightly—from 19,8 percent to 18,5 percent.

The complete finding of the poll was (results of previous poll in brackets): NP—44,4 (46,9); CP—18,5 (19,8); IP—10,7 (8,1); PFP—8,8 (9,6); NDM—3,5 (3,2); HNP—1,3 (0,8); Will not vote—12,8 (10).

Although the poll found the NP was still the most popular party among the two language groups, it lost support with both.

The English support for the various parties is: NP—31,3 percent; IP—21,5 percent; PFP—19,9 percent; CP—3 percent. The English speakers who said they would not vote total 18,4 percent.

The support of Afrikaans voters approached during the poll is: NP—52,2 percent; CP—27,8 percent; IP—4,1 percent; NDM—2,5 percent; PFP—2,2 percent; HNP 1,8 percent.

Despite being the most popular party among the English speakers, the NP remains a mainly Afrikaans party. Almost 74 percent of its supporters are Afrikaners and 26,4 are English.

The CP consists almost exclusively for Afrikaans speaking voters (94 percent) and 62,5 percent of them live in the Transvaal.

The IP has 24,4 percent Afrikaans supporters and 75,6 percent English voters, with the majority of its support coming from the Cape. The PFP has 84,3 percent English supporters and 15,7 percent Afrikaans supporters.

Commenting on the results, the leader of the IP, Dr Denis Worrall, said that the rapid growth in support for the IP in three months was extremely gratifying. He added that this growth was almost entirely at the expense of the NP, as the result showed when analysed by province. In Natal for example, the NP had lost an incredible 10,5 percent of voter support since January while the IP had gained 8,9 percent.

These trends showed that White South Africans were increasingly viewing the IP as a viable alternative to the NP. This reflected the growing desire among Whites to break with the past and get a process of negotiation going that would lead to a non-racial, democratic, free-market South Africa.

/9274

ECONOMIC

Economic Outlook for Coming Year Announced

34010067a Johannesburg *BEELD* in Afrikaans
19 May 88 p 11

[Text] South Africa will begin to seriously feel the pressure of sanctions for the first time this year, says the Office of Economic Studies of the University of Stellenbosch in its most recent economic analysis.

Since sanctions were imposed, the surplus on the current account has placed only a slight restriction on domestic economic growth, but during the last quarter of last year, the economic recovery picked up speed and real domestic spending increased in the fourth quarter by 10,7 percent over the previous year.

The increase in economic activity is reflected in a greater demand for imports, and the volume of imports increased by 28,5 percent in the fourth quarter, while the volume of exports steadily decreased.

The net result was a lower surplus on the current account of 882 million rands. This, together with the outflow of capital amounting to 1,771 billion rands, resulted in a decrease in net reserves of 889 million rands in the fourth quarter.

"The reality of these figures is currently reflected in a dropping rate of exchange and in rising interest rates," the Office says.

With an expected nine-percent increase in the volume of imports this year and a one-percent decrease in the volume of exports, the Office expects that the surplus on the current account will drop this year to 3,365 billion

rands, compared to more than six billion rands last year. It is expected that this figure will drop even further during the first half of next year.

"A surplus of that amount is always adequate in order to meet the projected obligations on the capital account," the Office says.

Because of the need to maintain a surplus on the current account, the Reserve Bank will probably allow the rand to depreciate slightly this year and next, says the Office. It also expects that the exchange rate will drop to just less than 45 U.S. cents at the end of this year and around 42.5 cents at the middle of next year.

The Office continues to be optimistic about a decrease in the rate of inflation, and predicts an average inflation rate of 13 percent this year. Among the most important reasons for this is an expected decrease in food prices, limited wage increases for civil servants and the fact that the upswing in the economy will lead to better utilization of production capacity, which will in turn result in lower unit-labor costs.

"Lower inflation will be the driving force behind real growth, especially during the first three quarters of this year," the Office says.

In certain regards, the economy is currently in the advanced stage of an economic upswing phase, but many of the traditional signs of this are lacking, says the Office. Unemployment is still rising, and with the exception of housing fixed investments have not yet recovered.

The Office expects domestic demand to grow at a faster rate during the first 9 months of this year, but that after that it will decrease. A growth rate of 5 percent in gross domestic expenditure and 2.2 percent in the gross domestic product is predicted for this year.

The primary driving force behind this is the expected increase in private consumer spending and fixed investments. The Office expects an increase of 4.1 percent in real private consumer spending this year, compared to 3.7 percent last year, and an increase of 4.8 percent this year in real fixed investment.

However, both of these rates of growth will decrease during the first half of next year, to 2.9 percent and 3.8 percent, respectively.

Generally speaking, the Office says, consumers are better off than they were 2 years ago. Their expendable income increased last year by 3.1 percent in real terms, and it is expected to rise by around three percent this year and two percent next year.

Consumer demand will probably slowly decrease beginning around the middle of this year due to higher interest rates and the expected lower increase in expendable income.

The Office says that one important characteristic of the current purchasing pattern is a decrease in relative expenditures on durable products. This is reflected in the fact that while durables accounted for around 12 percent of consumer spending during the 1960s, this figure dropped to only 9 percent last year.

The Office expects spending to increase this year by 12 percent in real terms and by 5.6 percent in the first half of next year.

Because of the sound property market, however, demand for furniture and electrical equipment is expected to rise more quickly than demand for transportation equipment.

12271

Weaker Rand, Higher Interest Rates Predicted for End of 1988

34010068c Bloemfontein VOLKSBLAD in Afrikaans
9 May 88 p 2

[Text] Stellenbosch (SAPA)—An average rate of inflation of 13 percent in 1988 and a weakening of the rand with respect to other monetary units are among the predictions for the South African economy, contained in the latest report by the Office for Economic Studies, which was made public here today.

The Office says that domestic demand will be strong during the first three quarters of the year, but that after that it will begin to flatten out. This greater demand is the result of a real increase in expendable income and the greater use of credit, together with a more rapid growth in private fixed investments.

The sharp growth in domestic demand will result in a sharp increase in imports, while exports will be limited. The effect of this will be a shrinking surplus in the current account of the balance of payments. This smaller surplus will put pressure on the rand, and the rand will weaken with respect to most monetary units, while interest rates will tend to be higher.

The weakening of the rand, together with higher interest rates, will tend to push the rate of inflation higher, especially in the last quarter of 1988 and the first quarter of 1989.

While interest rates climb and the monetary and fiscal policy is restrictive rather than expansive, the country is experiencing the typical signs of a cyclical upswing in the economy in its ripe phase.

Many of the traditional signs are not at all emerging, and this is eliciting concern. This is symptomatic of a beleaguered economy. Unemployment continues to increase, and fixed investments are in a poor state. The balance of payments again puts a damper on the country's economic growth.

12271

Minister Du Plessis Opposes Radical Price Freeze
34010067c Johannesburg *BEELD* in Afrikaans
19 May 88 p 12

[Text] The insistence by State President Mr P. W. Botha that the cycle of price increases be broken cannot be evaluated over the period of one year, but rather must be regarded as a multi-year plan, said Minister of Finance Mr Barend du Plessis, in the House of Representatives.

In his response to discussion of his budget item, he said that it will be necessary to make salary adjustments during that period. For that reason, it is not possible to institute a total price freeze.

It is impossible for an official sitting in an office to control prices. Major problems will result if prices are determined by any mechanism other than the market.

He said that the policy package announced yesterday to inhibit the excessive spending of the recent past will be no help unless it affects people's behavior correspondingly.

There are two basic challenges for the South African economy. On the one hand, the economy is handicapped in the short term by the fact that it has a relatively low ceiling within which sound economic growth must take place, while on the other hand everything possible must be done in the long run to push that ceiling up as high as possible.

In a sharp attack on the private sector, Mr Jannie Douw (LP, Appointed) said that much remains to be done in order to involve the black communities on a larger scale.

This will improve relations and serve the broad interests of the economy. The business community must adapt to the needs and aspirations of the communities in the "new" South Africa.

The CP should talk to its fellow collaborator, the AWB. The party must acknowledge the enormous sensitivity to the AWB abroad and the effect that this has on boycotts against South African agricultural products, Minister of Agriculture Mr Greyling Wentzel said in the House of Assembly.

In his response to discussion of his budget item, he emphasized that boycotts harm agriculture more than sanctions. This is why the agricultural export councils are keeping a vigilant eye on the foreign media for publicity promoting a boycott campaign.

Some of these councils allege that Mr Eugene Terre-Blanche receives more publicity in the foreign media than any other South African politician. His activities and those of the AWB are damaging South Africa's agricultural exports.

12271

Personal Income Up 23.8 Percent in Last Quarter of 1987

34010068a Cape Town *DIE BURGER* in Afrikaans
18 May 88 p 12

[Text] Personal expendable income increased by 23.8 percent in the last quarter of last year. The increase for the entire year was 19.3 percent, or three percent in real terms, says the United Building Society in its latest economic analysis.

According to the United, the most important reasons for the jump in income last year were the increase in demands by trade unions, an increase of 20 percent in wages in the public sector, and improved agricultural conditions.

However, for this year the United expects a growth in personal expendable income of no more than 16 percent, as a result of the limits placed on salary increases by the public sector.

Although the United expects that unemployment will decrease over the next 18 months, it is still felt that the overall economic climate in South Africa will remain such that it will prevent any notable decrease in unemployment figures.

As far as the increase with respect to local spending is concerned, the United points out that the effective increase of four percent in the salaries of civil servants and the low level of personal savings will inhibit private consumer spending.

Nevertheless, the effects of factors such as higher overall employment, the greater influence of trade unions, more use of bank credit and slightly lower inflation could counteract the negative effects on consumer spending. All things considered, private consumer spending will increase by 1.3 percent this year and 1 percent next year.

Economic growth in South Africa over the next 18 months will depend primarily on spending in the private sector.

12271

Personal Income Affected by Higher Taxes, Inflation

34010068b Cape Town *DIE BURGER* in Afrikaans
19 May 88 p 12

[Text] The financial position of South African consumers is now better than 2 years ago, says Dr Ockie Stuart, director of the Office for Economic Studies at the University of Stellenbosch, in his latest consumer analysis.

However, inflation and high personal tax rates are significantly impairing the consumer's expendable income. Nevertheless, the standard of living of consumers is currently higher than it was in 1986.

For the largest part of the 1980's, the real expendable income of consumers has decreased. However, this trend underwent a turnaround last year, when the real income of consumers increased by 3.2 percent.

It is expected that expendable income will increase faster than the rate of inflation during this year and the first half of next year. According to projections, real expendable income will increase by three percent this year and by two percent during the first half of next year.

Dr Stuart says that one important tendency in the purchasing patterns of consumers is the gradual decrease in the turnover of durable goods. In the 1960's, consumers spend around 12 percent of their income on durables. Last year that figure dropped to nine percent.

He also said that South Africa will truly feel the effects of the financial and trade sanctions for the first time this year. Businessmen are thus warned to prepare for difficult economic times.

12271

Gencor Stands To Gain From Interest in Oil Strikes, Moss gas Project
34010068d Johannesburg RAPPORT in Afrikaans
15 May 88 pp 1, 2

[Text] There is now a much greater probability that better oil strikes can be made in South Africa after the recent promising strikes near Mossel Bay and Bredasdorp on the southern coast of Cape Province.

There is now a 50-percent chance that better sources will be located.

This was the assessment of Mr Bernard Smith, an executive director of Gencor, speaking to SAKE-RAPPORT. He says that Gencor is very excited about the strike, which is able to provide 7,000 barrels a day at well E-AD1 in what is known as the Bredasdorp basin.

The search for oil and Gencor's involvement in it were in the news for the second week in a row when Soecor announced that oil had been found off the western coast of Cape Province.

Production tests at the west coast well, known as A-JL, showed that around 200 barrels a day of crude oil can be supplied.

Although this is very little in terms of economic exploitation, the significance of the new oil strike is that in the future viable oil operations can come to the western coast of the Cape, where up to now only natural gas has been found, Soecor said last week in a statement.

Mr Smith said that the recent oil strikes in no way mean that alternative fuel programs, such as the production of oil from coal and torbanite, should be pushed aside.

Trans-Natal, the coal subsidiary within the Gencor conglomerate, is looking into converting torbanite into crude oil. Earlier this year, SAKE-RAPPORT reported that Trans-Natal intends to spend around one billion rands on the project, based on current prices. This is why Trans-Natal should not be regarded as only an exploiter of coal, although that remains its main activity.

The South African Sugar Association is also continuing with its plans to produce ethanol from sugar. Mr Archie Hansen, secretary of the ethanol committee of the Sugar Association, says that plans have already been sent to the government and that they are waiting for the project to be approved.

If realized, the Sugar Association's proposed ethanol project will only serve areas in Natal. The project is much smaller than the Moss gas project. The Sugar Association's project will be able to produce only around 150 million liters of ethanol a year, says Mr Hansen.

The goal is to set up the facilities near Richards Bay. The plan involves providing 200,000 tons of sugar, which is currently exported at a loss, for ethanol production at higher prices. The accountants firm of Pim Golby has drawn up a report for the Sugar Association.

AECI [African Explosives and Chemicals Industries] is also studying the possibility of a synthetic fuel project. A satisfactory agreement with the government concerning this project has yet to be reached. AECI declined Friday to comment further on this.

The group previously said that it views methanol as the best alternative fuel since it creates opportunities for the petrochemicals industry.

With respect to the search for oil, it is difficult to say whether enough oil will be found to satisfy South Africa's needs. Based on current oil prices, the synthetic production of fuel from coal is increasingly attractive.

With respect to the oil drilling, Gencor has a 20 percent interest in well E-AD1, near Mossel Bay. Gencor also has an agreement with Soecor to have the same interest in any other wells that might be drilled in that area in the future.

According to the agreement, Gencor will bear 20 percent of the costs of the wells. The mining company will also share in 20 percent of the future returns from these wells.

Mr Smith made it clear that this agreement with Soecor has nothing to do with its 30-percent interest in the Moss gas project, amounting to around 5.3 billion rands, which was announced earlier.

Besides the 30-percent interest, the latter also involves the management of the project, which will be a completely different activity than direct drilling for oil. Gencor already has the engineering know-how to manage these types of projects.

The first phase of the 5.3 billion rand project includes setting up giant ocean platforms and laying pipelines to a refinery, which will be built on land.

Mr Smith says that Gencor did not share in the 800 million rands that Soecor has already spend on the search for oil.

Mr Smith says that other companies clearly had the opportunity to participate in the Moss gas project, but decided not to take advantage of that opportunity.

He says that Gencor's involvement arises from the experience that it has already had in researching the production of fuels from alternative sources.

Naturally, Gencor's involvement in the Moss gas project, as well as exploration for oil together with Soecor, could mean a great deal for the company in the future, especially now that sanctions are beginning to apply pressure with respect to exports of coal in particular and perhaps other metals and minerals later on.

Gencor has a 30-percent interest in the Moss gas project, while the Central Energy Fund holds the controlling interest of 50 percent, and the IDC [Industrial Development Corporation] holds the remaining 20 percent.

Gencor should profit from the project almost immediately, since it will be managing the initial construction and production phases.

However, experts say that it is Gencor's exploration agreement with Soecor that offers many possibilities. Oil exploration is a very risky and expensive undertaking, but on the other hand it can also be especially lucrative if good strikes are made. It is a question of high risks that mean high yield.

Thus far, Gencor's stock has reacted surprisingly little to the great deal of publicity surrounding the developments.

On 2 May, the price of a share was 4,875 c, and the following Monday it fell to 4,652 c. On Wednesday, it had climbed back to 4,700 c. On Thursday, the price rose by 50 c, while gold in general rose slightly.

These movements in Gencor's price must be attributed to the seesaw in the price of gold, and not to developments surrounding the oil strike.

12271

Pretoria Chamber of Commerce Prepares for Upcoming Recession

34010067b Johannesburg *BEELD in Afrikaans*
11 May 88 p 8

[Text] A recession in Pretoria within the next year is now inevitable, says Mr Adam Jacobs, chairman of the economic business group of the city's Afrikaans Chamber of Commerce.

Yesterday at the Chamber of Commerce board meeting, Mr Jacobs said that there was unprecedented growth in the expansion of purchasing power in Pretoria over the last couple of months.

However, this is not because people have more money, but rather because more debt was incurred. Many people, however, cannot afford this debt, which is often "forced" on people by banks.

"The stage is now set for a flattening out in the economy. Purchasing power will have to decrease throughout the entire country."

What makes Pretoria unique in that regard is that 55 percent of its inhabitants are civil servants. Because of the postponement of wage increases for these civil servants, pressure will by necessity be exerted on the purchasing power of the city's inhabitants.

According to Mr Jacobs, merchants in the city and members of the Chamber of Commerce must make advance preparations for the recession. It is because of this that the economic business group of the Pretoria Afrikaans Chamber of Commerce is planning to hold a seminar on this subject in the city on 21 June.

Mr Robbie Schilz and Mr Rex Nigrini, chairmen of the business groups for property and motor trade and transportation, respectively, also indicated that economic activity in those markets is beginning to drop off.

12271

Massive Housing Plan for Soweto Planned

34000662b Johannesburg *THE CITIZEN in English*
23 Jun 88 p 9

[Text] A R560 million housing development for Soweto with recreation and business facilities, the first of its kind in South Africa, was announced in Johannesburg yesterday by the Foundation for Community Development.

The high density development will be built in Nancefield and Lifateng in Soweto and will provide accommodation for 40,000 people.

High rise blocks of flats, 20 to 25 storeys high will be positioned around a commercial centre and flanked by about 24 schools, sports fields and swimming pools. Other facilities will include a stadium and office blocks. An hotel is also planned.

The site is between Soweto's central business district and Baragwanath Hospital, near a railway station.

The land (32 hectares) was bought by the foundation from the Soweto Town Council and is occupied by run-down one storey hostels, which will be demolished.

Negotiations for the financing of the project are still in progress and building is expected to begin next year. A programme for the development has been compiled and by 1992 the first families should be able to move in.

The foundation was formed two years ago as a non-profit organisation with the objective of improving the quality of life of all South Africans through housing within a total community development model. The Soweto development was chosen as the foundation's first project, because of the land shortage in Black communities.

The foundation spent two years researching and planning the project, with consultants visiting Hong Kong and Singapore.

Affordability was the key element, and a studio apartment sold on sectional title, will cost less than a serviced stand in a new township—R12,000 instead of R13,000, a director of the consultancy appointed by the foundation, Mr Poen Burger, said.

Buyers would also be given the opportunity to upgrade, and would be able to transfer all payments made to date to the bond on a bigger apartment in the same complex.

/9274

SOCIAL

Durban NP Unanimously Votes To Maintain Status Quo of Beaches

34010066b Cape Town DIE BURGER in Afrikaans
23 May 88 p 13

[Article by our political staff]

[Text] All the National Party members on the Durban City Council support the official party position that the status quo on the beaches should be maintained and that the remaining two white beaches should not also be opened up.

This emerges from information provided to DIE BURGER yesterday by the Natal NP after it was announced the day before yesterday that Durban Mayor Henry Klotz had been expelled temporarily from the National Party.

At a caucus of NP council members in Durban on 18 February of this year, all the members supported the policy statements of State President P. W. Botha and Natal NP leader Stoffel Botha on opening up the beaches.

In a written statement signed by all the NP council members, they undertake inter alia to ensure that the City Council takes the necessary steps to:

- Implement more effective crowd and traffic control to reduce the pressure on the central beach area;
- Provide additional public toilet facilities, showers, and dressing rooms;
- Improve police and other supervision to impose civilized behavior and reduce the incidence of crime; and
- Set up a large-scale program to provide adequate new facilities on all the underdeveloped beaches, primarily toward the north.

Klotz was also present at the meeting but refused to sign the statement. He said that he would transmit his position on the matter to NP Chief Secretary James Waugh later.

In the light of the fact that he still has not made his position clear after being asked twice by the NP to do so and that he continues to refuse to sign the caucus statement, Natal NP Chairman Jurie Mentz decided last week to expel Klotz from the party temporarily.

The reason for this decision is his "disloyal" behavior, which is contrary to the interests of the NP. The matter will now be referred to the NP's Legal Committee, which will make a final decision on Klotz' membership in the NP.

12593

Crossroads Reshaped Into Model Development

34010066a Cape Town DIE BURGER in Afrikaans
26 May 88 p 11

[Article by our provincial reporter]

[Text] Crossroads, the squatters camp on the Cape Flats that became notorious in the unrest and did great damage to South Africa's image abroad, is slowly but surely being reshaped into a model development. Parts of the camp even serve as a show window for hundreds of foreign visitors.

More than 50 tours, at least 30 percent of them from abroad, have already gone through the squatters camp this year.

An important milestone was reached yesterday when the first 54 new houses built by trained construction workers from Crossroads itself were turned over to the village committee.

The comprehensive improvement project which is being financed by the Department of Manpower Development and run by a private firm, Topcor, appears to be a rousing success.

Home industries are springing up like mushrooms, while 2,400 residents of Crossroads have already been trained in a variety of skills. Another 1,200 who have been trained in construction work are employed full time by a construction firm.

The project includes the construction of houses by Crossroads residents themselves as well as an extensive improvement campaign to provide residents with basic training and then establish them in home industries in Crossroads.

Topcor Managing Director Toppie du Toit has just received another 1.6 million rands from the department and expects to use it to build another 130 houses this year.

A total of 42 of the houses are already under construction. He has 270 ready-to-build lots and as soon as the necessary money is received, more houses are planned.

His firm is now training 800 Crossroads residents for construction work, while another 450, mainly women from Crossroads, are receiving training in knitting, weaving, spinning, ceramics, and furniture-making.

A 4,500 square meter combined business and training center was built by 800 unemployed Crossroads residents in 68 days. Classes are given there in needlework, typing, ceramics, knitting, weaving, construction work, cooking, etc.

It is clear that the successes achieved with the improvement campaign are spurring others in the squatters camp to join the campaign, says Du Toit.

"Where until recently there was only violence, today there are trained working people with a new pride who are eager to help to make a new home for themselves in Crossroads. Home industries are springing up like mushrooms," he says.

A total of 1,400 houses are needed in the camp.

The 54 which have just been turned over are only a drop in the ocean but before the end of this year that will become a crashing wave.

12593

Black Housing Shortage in Cape

34010066c Cape Town DIE BURGER in Afrikaans
16 May 88 p 15

[Article by our provincial reporter]

[Text] Cape Province needs 2 billion rands immediately for black housing, said Administrator Gene Louw yesterday. This money is needed to build 111,000 houses for blacks.

The first step toward bringing this about was taken yesterday in Cape Town when Louw on behalf of the Provincial Administration signed a historic contract with the South African Housing Trust (SABT) for an extensive housing plan worth almost 30 million rands.

The contract is expected to provide significant relief for the serious shortage of houses for blacks in the Cape. Under the terms of the agreement, 176 hectares in Khayelitsha have been turned over to the Trust for 29.3 million rands. Thus the administration recovers the entire cost of the land and services from the SABT and that money becomes available for additional black development.

Louw said that this is the first time that the Housing Trust has become involved in the Western Cape and also the first time that the Provincial Administration has signed such a contract with private developers.

"We need 111,000 units in Cape Province to meet the need for black housing. At an estimated minimum cost of 10,000 rands per house and 10,000 rands for each ready-to-build lot, that means that more than 2 billion rands is needed immediately for black housing.

"The contract we have just signed with the SABT will, we hope, make 4,450 units available within 12 months on 176 hectares, along with 350 business, community, and other buildings. Within the next 4 months we hope to provide services to a similar number of lots so that we can sign a second contract with the SABT."

Louw said that the 2 billion rands needed does not include the price of land, which must be purchased at very high prices.

The goal is to have the black occupants bear the costs themselves eventually. In the meantime the money has to be found elsewhere to permit development to go ahead. The administration asked for 475 million rands from the National Housing Fund but received only 110 million. Thus new ways needed to be found and this led to the unique agreement with the SABT.

Khayelitsha now has 97,000 inhabitants in the officially developed section, while about 100,000 more live in the transit camp known as Section C and some 36,000 live in the tent village. The projected population is 400,000.

12593

Growth of Khayelitsha Described

*34010066d Capc Town DIE BURGER in Afrikaans
17 May 88 p 11*

[Article by our chief correspondent]

[Text] Khayelitsha is without a doubt one of the biggest single developments in South Africa and will eventually house some 400,000 people. Ensuring the successful development of this black city is a unique challenge, says Member of the Executive Committee Koos Theron, who is responsible for community development.

Barely 4 years ago this area was a sand flat. Since then, 270 million rands have been invested in it. It will cost an estimated 900 million rands just to provide all basic infrastructure services.

Khayelitsha currently houses about 200,000 people, Theron said. There obviously is some uncertainty as to this figure. Minister of Constitutional Development and Planning Chris Heunis told Parliament on Thursday that there were 97,000 people in Khayelitsha on 22 March.

Theron said that permanent housing for about half of the current and future population still needs to be provided. Because state money is limited, private sector participation is being encouraged.

In order to facilitate and speed up development, a special development committee has been set up with full authority to act on behalf of the Cape Village Committee and the Provincial Administration.

The committee's main goal is to provide a complete, high-quality infrastructure as quickly as possible and to make a variety of houses available at low prices.

The development committee recently invited the private sector to submit requests to purchase ready-to-build lots for development and resale.

The response was overwhelming, Theron said. Requests were submitted for a total of 8,272 lots even though prospective developers must fulfill a number of requirements:

- A deposit of 25 percent of the lot's purchase price (an average of 5,300 rands per lot);
- The requirement that development be completed within 12 months; and
- The selling price of the houses not to exceed 10,000 rands (not including the price of the land).

Further information may be obtained at the District Representative's office in Cape Town, telephone 591-2136.

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